

(2) "RESEARCH AND DEVELOPMENT" DOES NOT INCLUDE:

- (I) MARKET RESEARCH;
- (II) RESEARCH IN THE SOCIAL SCIENCES OR PSYCHOLOGY AND OTHER NONTECHNICAL ACTIVITIES;
- (III) ROUTINE PRODUCT TESTING;
- (IV) SALES SERVICES; OR
- (V) TECHNICAL AND NONTECHNICAL SERVICES.

(B) MATERIAL.

THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF MATERIAL THAT IS TO:

- (1) BE CONSUMED, MUTILATED, OR TESTED TO DESTRUCTION IN RESEARCH AND DEVELOPMENT; OR
- (2) BECOME A COMPONENT PART OF A PRODUCT PRODUCED BY RESEARCH AND DEVELOPMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, §§ 324(t) and 326(z) and, as it extended exemptions under the former retail sales tax to the former use tax, § 375(b).

In subsection (a)(2)(iv) of this section, the former words "sales promotion" are deleted as included in the words "sales services".

Defined terms: "Sale" § 11-101
"Sales and use tax" § 1-101

11-217. SEAFOOD HARVESTING PURPOSES.

THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF:

- (1) A CLAM OR OYSTER RAKE, CRAB BAIT, CRAB OR EEL POT, OR FISH NET;
- (2) A DREDGE, HANDSCRAPE, OR HAND OR PATENT TONG; OR
- (3) FUEL OR A REPAIR PART FOR A COMMERCIAL FISHING VESSEL.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 326(y) and, as it extended the exemptions under the former retail sales tax to the former use tax, § 375(b).